

Message Text

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PAGE 01 STATE 038192
ORIGIN TRSE-00

INFO OCT-01 EUR-12 ISO-00 EB-08 /021 R

DRAFTED BY TREAS:RSELF:JH
APPROVED BY EB/OT/STA:JSSPIRO
EB/OT/STA:MCJONES
EUR/WE:MDURKEE
-----190043 103747 /66
P 182247Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY MADRID PRIORITY

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E.O. 11652: N/A

TAGS: ETRD, SP

SUBJECT: COUNTERVAILING DUTY INVESTIGATION -- ZINC
FROM SPAIN

REF: 76 STATE 308687

1. EMBASSY MAY RECALL THAT U.S. PETITIONER IN SUBJECT CASE ALLEGED IN DECEMBER THAT A CONTRACT HAD BEEN OR WAS BEING NEGOTIATED FOR THE SALE OF APPROXIMATELY 50,000 METRIC TONS OF SPANISH ZINC TO THE U.S. PETITIONER ALLEGED THAT THE SPANISH WERE ATTEMPTING TO EXPORT THIS UNUSUALLY LARGE QUANTITY OF ZINC BEFORE COUNTERVAILING DUTIES BECOME EFFECTIVE. AS THE RESULT OF THIS ALLEGATION, THE CUSTOMS SERVICE IS MONITORING ALL SHIPMENTS OF SPANISH ZINC IMPORTS. COUNSEL FOR SPANISH EXPORTERS HAS DENIED THAT ANY SUCH CONTRACT EXISTS OR IS EVEN IN THE PROCESS OF NEGOTIATION, ALTHOUGH HE HAS EMPHASIZED THAT SPANISH EXPORTERS WILL SELL "AS MUCH ZINC AS THE MARKET WILL

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BEAR".

2. AS TREASURY DEPUTY ASSISTANT SECRETARY SUCHMAN INDICATED IN MADRID MEETINGS, TREASURY WOULD FIND IT UNNECESSARY, IN VIEW OF SPANISH DENIAL OF SUCH CONTRACT, TO TAKE EXPEDITIOUS COUNTERVAILING DUTY ACTION UNLESS

IT APPEARS THAT AN ABNORMALLY LARGE QUANTITY OF ZINC FROM SPAIN IS ENTERING THE U.S. CERTAINLY AMOUNTS GREATLY IN EXCESS OF PAST SPANISH IMPORT PERFORMANCE WOULD LEAD US TO CONCLUDE THAT SUCH SHIPMENTS REFLECT AN ATTEMPT TO CIRCUMVENT POTENTIAL COUNTERVAILING DUTY MEASURES.

3. WITH THIS BACKGROUND, TREASURY RECEIVED ALLEGATIONS FROM U.S. PETITIONER LAST WEEK THAT A TOTAL OF 24,000 TONS DESTINED FOR THE U.S. IN THREE SEPARATE SHIPS OF 8,000 TONS EACH IS IN THE PROCESS OF BEING LOADED AT SPANISH PORTS. COUNSEL TO SPANISH EXPORTERS HAS CONFIRMED THAT AN 8,000 TON SHIPMENT IS SCHEDULED FOR EXPORT SOON BUT HAS DENIED THE EXISTENCE OF ADDITIONAL 16,000 TONS ALLEGED BY PETITIONER. WE WOULD APPRECIATE IF EMBASSY COULD ALSO INQUIRE AS TO THE SUBSTANCE OF THIS ALLEGATION. WHILE AN 8,000 TON SHIPMENT, IS LARGE IN RELATION TO TOTAL 1976 SPANISH ZINC EXPORTS TO THE U.S. OF APPROXIMATELY 28,000 TONS, IT WOULD NOT SERVE AS A BASIS TO TAKE IMMEDIATE COUNTERVAILING DUTY ACTION. ON THE OTHER HAND, TREASURY BELIEVES A 24,000 TON SHIPMENT WOULD BE AN ENTIRELY DIFFERENT MATTER NECESSITATING AN EXPEDITIOUS EVALUATION OF WHETHER OR NOT TO PROCEED IMMEDIATELY WITH A FINAL DETERMINATION.

4. WE ARE STILL AWAITING SUBMISSION OF ADDITIONAL DATA IN ZINC CASE THROUGH COUNSEL FOR THE SPANISH INDUSTRY.

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Message Attributes

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Control Number: n/a
Copy: SINGLE
Sent Date: 18-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
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Disposition Remarks:
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